



Official Name: Republic of Costa Rica



PROFILE

Geography

Area: 51,100 sq. km (19,730 sq. mi.) about the size of the states of Vermont and New Hampshire combined.

Cities: *Capital*--San Jose (greater metropolitan area pop. 2.1 million, the greater metropolitan area as defined by the Ministry of Planning and Economic Policy includes the cities of Alajuela, Cartago, and Heredia). *Other major cities outside the San Jose capital area*--Puntarenas, Limon, and Liberia.

Terrain: A rugged, central range separates the eastern and western coastal plains.

Climate: Mild in the central highlands, tropical and subtropical in coastal areas.

People

Nationality: *Noun and adjective*--Costa Rican(s).

Population (2010): 4.516 million.

Annual population growth rate (2010 est.): 1.347%.

Ethnic groups: European and some mestizo 94%, African origin 3%, Chinese 1%, Amerindian 1%, other 1%.

Religion: Roman Catholic 76.3%, Evangelical Protestant 13.7%, other 4.8%, none 3.2%.

Languages: Spanish, with a southwestern Caribbean Creole dialect of English spoken around the Limon area.

Education: *Years compulsory*--9. *Attendance*--99% grades 1-6; 71% grades 7-9. *Literacy*--96%.

Health: *Infant mortality rate*--9.45/1,000. *Life expectancy*--men 74.61 yrs., women 79.94 yrs.

Work force (2009 est.): 2.05 million; this official estimate excludes Nicaraguans living in Costa Rica legally and illegally.

Government

Type: Democratic republic.

Independence: September 15, 1821.

Constitution: November 7, 1949.

Branches: *Executive*--president (head of government and chief of state) elected for one 4-year term, two vice presidents, Cabinet (22 ministers, two of whom are also vice presidents). *Legislative*--57-deputy unicameral Legislative Assembly elected at 4-year intervals. *Judicial*--Supreme Court of Justice (22 magistrates elected by Legislative Assembly for renewable 8-year terms). The offices of the Ombudsman, Comptroller General, and Procurator General assert autonomous oversight of the government.

Subdivisions: Seven provinces, divided into 81 cantons, subdivided into 421 districts.

Political parties: National Liberation Party (PLN), Citizen's Action Party (PAC), Libertarian Movement Party (PML), Social Christian Unity Party (PUSC), and other smaller parties.

Suffrage: Universal and compulsory at age 18.

Economy

GDP (2010): \$38.27 billion.

GDP PPP (2009 est.): \$48.19 billion.

Inflation (2010 est.): 6.9%.

Real growth rate (2010 est.): 3.6%.

Per capita income: (2009) \$6,900; (2010 est., PPP) \$10,569.

Unemployment (2010 est.): 6.7%.

Currency: Costa Rica Colon (CRC).

Natural resources: Hydroelectric power, forest products, fisheries products.

Agriculture (6.5% of GDP): *Products*--bananas, pineapples, coffee, beef, sugar, rice, dairy products, vegetables, fruits, ornamental plants, corn, beans, potatoes, timber.

Industry (25.5% of GDP): *Types*--electronic components, medical equipment, textiles and apparel, tires, food processing, construction materials, fertilizer, plastic products.

Commerce, tourism, and services (68% of GDP): Hotels, restaurants, tourist services, banks, and insurance.

Trade (2009 est.): *Exports*--\$8.847 billion: integrated circuits, medical equipment, bananas, pineapples, coffee, melons, ornamental plants, sugar, textiles, electronic components, medical equipment. *Major markets* (2008)--U.S. 23.9%, Netherlands 13.3%, China 12.9%, U.K. 5%, Mexico 4.9%. *Imports*--\$10.87 billion: raw materials, consumer goods, capital equipment, petroleum. *Major suppliers* (2008)--U.S. 42.7%, Mexico 6.9%, Venezuela 6.3%, Japan 5.4%, China 4.7%, Brazil 4.2%.

PEOPLE

Unlike many of their Central American neighbors, present-day Costa Ricans are largely of European rather than mestizo descent; Spain was the primary country of origin. However, an estimated 10% to 15% of the population is Nicaraguan, of fairly recent arrival and primarily of mestizo origin. Descendants of 19th-century Jamaican immigrant workers constitute an English-speaking minority and--at 3% of the population--number about 119,000. Few of the native Indians survived European contact; the indigenous population today numbers about 29,000 or less than 1% of the population.

HISTORY

In 1502, on his fourth and last voyage to the New World, Christopher Columbus made the first European landfall in the area.

Settlement of Costa Rica began in 1522. For nearly three centuries, Spain administered the region as part of the Captaincy General of Guatemala under a military governor. The Spanish optimistically called the country "Rich Coast." Finding little gold

or other valuable minerals in Costa Rica, however, the Spanish turned to agriculture.

The small landowners' relative poverty, the lack of a large indigenous labor force, the population's ethnic and linguistic homogeneity, and Costa Rica's isolation from the Spanish colonial centers in Mexico and the Andes all contributed to the development of an autonomous and individualistic agrarian society. An egalitarian tradition also arose. This tradition survived the widened class distinctions brought on by the 19th-century introduction of banana and coffee cultivation and consequent accumulations of local wealth.

Costa Rica joined other Central American provinces in 1821 in a joint declaration of independence from Spain. Although the newly independent provinces formed a Federation, border disputes broke out among them, adding to the region's turbulent history and conditions. Costa Rica's northern Guanacaste Province was annexed from Nicaragua in one such regional dispute. In 1838, long after the Central American Federation ceased to function in practice, Costa Rica formally withdrew and proclaimed itself sovereign.

An era of peaceful democracy in Costa Rica began in 1899 with elections considered the first truly free and honest ones in the country's history. This began a trend that continued until today with only two lapses: in 1917-19, Federico Tinoco ruled as a dictator, and, in 1948, Jose Figueres led an armed uprising in the wake of a disputed presidential election.

With more than 2,000 dead, the 44-day civil war resulting from this uprising was the bloodiest event in 20th-century Costa Rican history, but the victorious junta drafted a constitution guaranteeing free elections with universal suffrage and the abolition of the military. Figueres became a national hero, winning the first election under the new constitution in 1953. Since then, Costa Rica has held 15 presidential elections, the latest in 2010.

GOVERNMENT

Costa Rica is a democratic republic with a very strong system of constitutional checks and balances. Executive responsibilities are vested in a president, who is the country's center of power. There also are two vice presidents and a 20-plus member cabinet. The president and 57 Legislative Assembly deputies are elected for 4-year terms. In April 2003, the Costa Rican Constitutional Court annulled a 1969 constitutional reform which had barred presidents from running for reelection. As a result, the law reverted back to the 1949 Constitution, which permits ex-presidents to run for reelection after they have been out of office for two presidential terms, or 8 years. Deputies may run for reelection after sitting out one term, or 4 years.

The electoral process is supervised by an independent Supreme Electoral Tribunal--a commission of three principal magistrates and six alternates selected by the Supreme Court of Justice. Judicial power is exercised by the Supreme Court of Justice, composed of 22 magistrates selected for renewable 8-year terms by the Legislative Assembly, and subsidiary courts. A Constitutional Chamber of the Supreme Court (Sala IV), established in 1989, reviews the constitutionality of legislation and executive decrees and all habeas corpus warrants. The last national elections took place in February 2010.

The offices of the Comptroller General of the Republic, the Solicitor General, and the Ombudsman exercise oversight of the government. The Comptroller General's office has a statutory responsibility to scrutinize all but the smallest public sector contracts and strictly enforces procedural requirements. Along with the Sala IV, these institutions are playing an increasingly prominent role in governing Costa Rica.

There are provincial boundaries for administrative purposes, but no elected provincial officials. Costa Rica held its first mayoral

elections in December 2002, whereby mayors were elected to 4-year terms by popular vote through general elections. Prior to 2002, the office of mayor did not exist, and the president of each municipal council was responsible for the administration of his/her municipality. The most recent nationwide mayoral elections took place in December 2006. Upcoming mayoral elections are scheduled to take place December 2010. Autonomous state agencies enjoy considerable operational independence; they include the telecommunications and electrical power monopoly and the state insurance monopoly (sectors opened to competition by the U.S.-Central American-Dominican Republic Free Trade Agreement--CAFTA-DR--which entered into force in Costa Rica on January 1, 2009), the state petroleum refinery, the nationalized commercial banks, and the social security agency. Costa Rica has no military and maintains only domestic police and security forces. A professional Coast Guard was established in 2000.

Principal Government Officials

President--Laura CHINCHILLA Miranda

Vice Presidents--Alfio PIVA and Luis LIBERMAN

Foreign Minister--Rene CASTRO Salazar

Ambassador-designate to the United States--Muni FIGUERES Boggs

Ambassador to the Organization of American States--Jose Enrique CASTILLO Barrantes

Ambassador to the United Nations--Jairo HERNANDEZ Milián

Costa Rica maintains an **embassy** in the United States at 2114 S Street NW, Washington, DC 20008 (tel. 202-234-2945 and 202-234-2946).

POLITICAL CONDITIONS

Costa Rica has long emphasized the development of democracy and respect for human rights. The country's political system has steadily developed, maintaining democratic institutions and an orderly, constitutional scheme for government succession. Several factors have contributed to this trend, including enlightened leadership, comparative prosperity, flexible class lines, educational opportunities that have created a stable middle class, and high social indicators. Also, because Costa Rica has no armed forces, it has avoided military involvement in political affairs, unlike other countries in the region.

On May 8, 2010 Laura Chinchilla, of the National Liberation Party (PLN), was sworn in as President of the Republic of Costa Rica. Immediately upon assuming office, Chinchilla signed four decrees, two involving citizen security and two in the social and environmental fields. In February 2010, Chinchilla won the popular election with 46.72 % of the vote, defeating principal rivals Ottón Solís of the Civil Action Party (PAC) and Otto Guevara of the Libertarian Movement (ML). Throughout her campaign, Chinchilla's primary message was strengthening security; her platform also included improvement of the country's infrastructure, creation of a progressive income tax and expanding jobs through a "green jobs" initiative, better living conditions for children and senior citizens, and supporting women's issues. Following the 2010 elections, the 57-member unicameral Legislative Assembly fragmented into several parties, with no faction having a plurality--the PLN won 23 seats, the PAC 12 seats, ML 9 seats, and the Social Christian Unity Party (PUSC) 6 seats, with the remaining seats split among lesser known parties.

ECONOMY

After experiencing positive growth over the previous several years, the Costa Rican economy shrank slightly in 2009 (-2.5%) due to the global economic crisis. The services sector--around 68% of GDP--was the most affected, with tourism falling by 8%. The economy has experienced a rebound in 2010 with a 3.6% GDP growth rate. Costa Rica enjoys the region's highest standard of living, with a per capita income of about U.S. \$10,569, and an unemployment rate of 6.7%. Consumer price inflation is high but relatively constant at about a 10% annual rate in the last decade. Both the central government and the overall public sector ran

fiscal surpluses in 2007.

Costa Rica's major economic resources are its fertile land and frequent rainfall, its well-educated population, and its location in the Central American isthmus, which provides easy access to North and South American markets and direct ocean access to the European and Asian continents. Costa Rica is known worldwide for its conservation efforts with more than 26% of its land under protection, thus safeguarding more than 5% of the entire world's biodiversity. The country's top economic priorities include passing fiscal reform, pursuing responsible monetary policy, and creating opportunities for inclusive economic growth. Significant legislative hurdles slow down passage of new laws and present challenges for the country's economic policymakers.

Costa Rica used to be known principally as a producer of bananas and coffee, but pineapples have surpassed coffee as the number two agricultural export. Manufacturing and industry's contribution to GDP overtook agriculture in the 1990s, led by foreign investment in Costa Rica's free trade zone. Well over half of that investment has come from the United States. Del Monte, Dole, and Chiquita have a large presence in the banana and pineapple industries. In recent years, Costa Rica has successfully attracted important investments by such companies as Intel Corporation, which employs 3,200 people at its \$1.996 billion microprocessor plant; Procter and Gamble, which employs about 1,200 people in its administrative center for the Western Hemisphere; and Boston Scientific, Allergan, Hospira, and Baxter Healthcare from the health care products industry. Two-way trade between the U.S. and Costa Rica exceeded \$9.6 billion in 2009. In 2009, Costa Rica was the fourth-largest exporter, in terms of volume, to the United States.

The country is rich with renewable energy. It gets about 99% of all its electrical energy from clean sources, and it is aiming to become carbon neutral by 2021. Costa Rica has oil deposits off its Atlantic Coast, but the Pacheco administration (2002-2006) decided not to develop the deposits for environmental reasons. The Arias administration (2006-2010) reaffirmed this policy. The country's mountainous terrain and abundant rainfall have permitted the construction of a dozen hydroelectric power plants, making it largely self-sufficient in electricity, but it is completely reliant on imports for liquid fuels. Costa Rica has the potential to become a major electricity exporter if plans for new generating plants and a regional distribution grid are realized. Its mild climate and trade winds make neither heating nor cooling necessary, particularly in the highland cities and towns where some 90% of the population lives.

Costa Rica ranks 121st out of 183 countries in the 2010 World Bank's Ease of Doing Business Index. This hampers the flow of investment and resources badly needed to repair and rebuild the country's public infrastructure, which has deteriorated from a lack of maintenance and new investment. Most parts of the country are accessible through an extensive road system of more than 30,000 kilometers, although much of the system has fallen into disrepair. Contamination in rivers, beaches, and aquifers is a matter of rising concern. Although Costa Rica has made significant progress in the past decade in expanding access to water supplies and sanitation, just 3.5% of the country's sewage is managed in sewage treatment facilities, and the Water and Sewage Institute (AyA) estimates that perhaps 50% of septic systems function. In 2007, Costa Rica experienced nationwide blackouts resulting from a severe dry season (which limited hydroelectric resources) and the state electricity monopoly's inadequate investment in maintenance and capacity increases.

Costa Rica has sought to widen its economic and trade ties within and outside the region. The country signed a bilateral trade agreement with Mexico in 1994, which was later amended to cover a wider range of products. Costa Rica also has signed trade agreements with Canada, Chile, the Dominican Republic, Panama, and several Caribbean Community countries. In March 1998, it joined other Central American countries and the Dominican Republic in establishing a Trade and Investment Council with the United States. Following a 2007 public referendum, Costa Rica ratified the U.S.-Central American-Dominican Republic Free

Trade Agreement (CAFTA-DR), which entered into force in January 2009. The country was an active participant in the negotiation of the hemispheric Free Trade Area of the Americas and is active in the Cairns Group, which is pursuing global agricultural trade liberalization within the World Trade Organization.

In October 2007, Costa Rica began negotiating a regional Central American-European Union (EU) trade agreement. In May 2010, together with El Salvador, Guatemala, Honduras, Nicaragua, and Panama, it ratified a free trade agreement with the EU, with the treaty coming into force January 2011. In April 2010 Costa Rica signed free trade agreements with China and Singapore. Additionally, negotiators are in talks with South Korea, and Costa Rica is looking to join the Asia-Pacific Economic Cooperation (APEC) forum by 2011.

FOREIGN RELATIONS

Costa Rica is an active member of the international community and proclaimed its permanent neutrality in 1993. Its record on the environment and human rights and advocacy of peaceful settlement of disputes give it a weight in world affairs far beyond its size. The country lobbied aggressively for the establishment of the UN High Commissioner for Human Rights and became the first nation to recognize the jurisdiction of the Inter-American Human Rights Court, based in San Jose. Costa Rica has been a strong proponent of regional arms limitation agreements. In 2009, Costa Rica finished its third term as a non-permanent member of the United Nations Security Council.

During the tumultuous 1980s, then-President Oscar Arias authored a regional peace plan that served as the basis for the Esquipulas Peace Agreement. Arias' efforts earned him the 1987 Nobel Peace Prize. Subsequent agreements, supported by the United States, led to the Nicaraguan election of 1990 and the end of civil war in Nicaragua. Costa Rica also hosted several rounds of negotiations between the Salvadoran Government and the Farabundo Marti National Liberation Front (FMLN), aiding El Salvador's efforts to emerge from civil war and culminating in that country's 1994 free and fair elections.

In 2007 Costa Rica established diplomatic ties with China, ending nearly 60 years of diplomatic relations with Taiwan. In 2008, Costa Rica established diplomatic relations with "The State of Palestine," and in 2009 Costa Rica reopened formal relations with Cuba. President Arias publicly supported self-determination in Cuba and expressed concern about eroding democratic institutions in Venezuela. In 2009, President Arias acted as mediator in the Honduran constitutional crisis, working closely with ousted President Manuel Zelaya and the interim Honduran government. Costa Rica formally recognized Porfirio "Pepe" Lobo as the winner of the 2009 Honduran elections and the President of Honduras.

U.S.-COSTA RICAN RELATIONS

The United States and Costa Rica have a history of close and friendly relations based on respect for democratic government, human freedoms, free trade, and other shared values. The country generally supports the U.S. in international fora, especially in the areas of democracy and human rights.

The United States is Costa Rica's most important trading partner. The U.S. accounts for almost half of Costa Rica's exports, imports, and tourism, and more than two-thirds of its foreign investment. The two countries share growing concerns for the environment and want to preserve Costa Rica's important tropical resources and prevent environmental degradation. In 2007, the United States reduced Costa Rica's debt in exchange for protection and conservation of Costa Rican forests through a debt for nature swap under the auspices of the Tropical Forest Conservation Act.

The United States responded to Costa Rica's economic needs in the 1980s with significant economic and development assistance

programs. Through provision of more than \$1.1 billion in assistance, the U.S. Agency for International Development (USAID) supported Costa Rican efforts to stabilize its economy and broaden and accelerate economic growth through policy reforms and trade liberalization. Assistance initiatives in the 1990s concentrated on democratic policies, modernizing the administration of justice, and sustainable development. Once the country had graduated from most forms of U.S. assistance, the USAID Mission in Costa Rica closed in 1996. However, USAID completed a \$9 million project in 2000-2001 to support refugees of Hurricane Mitch residing in Costa Rica.

For decades, **Peace Corps** volunteers have provided technical assistance in the areas of environmental education, natural resources, management, small business development, microfinance, basic business education, urban youth, and community education. In 2007, President Arias announced the Costa Rica Multilingue initiative, and approached the Peace Corps with a request for a new project focused on teaching English as a foreign language (TEFL). The first group of 25 Peace Corp trainees under the TEFL project will arrive in October 2010.

Over 50,000 private American citizens, including many retirees, reside in the country and more than 700,000 American citizens visit Costa Rica annually. A few vexing expropriation and U.S. citizen investment disputes have hurt Costa Rica's investment climate and have occasionally produced bilateral friction.

The U.S.-Costa Rica Maritime Cooperation Agreement, the first of its kind in Central America, entered into force in late 1999. The agreement, which facilitates cooperation between the Coast Guard of Costa Rica and the U.S. Coast Guard, has resulted in a growing number of narcotics seizures, illegal migrant rescues, illegal fishing seizures, and search-and-rescue missions. Bilateral Costa Rican law enforcement cooperation, particularly against narcotrafficking, has been exemplary.

Principal U.S. Embassy Officials

Ambassador--**Anne Slaughter Andrew**

Deputy Chief of Mission--Eric Nelson (arrival September 2010)

Political/Economic Counselor--Julie Schechter Torres

Economic Officer--Jason McInerney

Consul General--Paul Birdsall

Management Counselor--Leo Voytkl (arrival October 2010)

Public Affairs Counselor--Mark S. Tauber

Defense Representative--Commander Russ Bowen, USCG (acting)

Commercial Attache--Bryan Smith

Agricultural Attache--Kevin Smith

APHIS--Eric Hoffman

Environmental Hub--Timothy Lattimer

Regional Security Officer--S. Wade DeWitt

Drug Enforcement Administration--Phil Springer

Food and Drug Administration--Paul Seligman

Peace Corps Director--Steven Dorsey

OFDA Director--Tim Callaghan

The **U.S. Embassy** in Costa Rica is located in Pavas at Boulevard Pavas and Calle 120, San Jose, tel. (506) 519-2000 or (506) 220-3127.

Other Contact Information

U.S. Department of Commerce
Trade Information Center
International Trade Administration
14th and Constitution Avenue, NW
Washington, DC 20320
Tel: 800-USA-TRADE
www.trade.gov

Costa Rican American Chamber of Commerce
c/o Aerocasillas
P.O. Box 025216, Dept 1576
Miami, Florida 33102-5216
Tel: 506-22-0-22-00
Fax: 506-22-0-23-00
Email: Amchamcr@sol.racsa.co.cr

TRAVEL AND BUSINESS INFORMATION

The U.S. Department of State's Consular Information Program advises Americans traveling and residing abroad through Country Specific Information, Travel Alerts, and Travel Warnings. **Country Specific Information** exists for all countries and includes information on entry and exit requirements, currency regulations, health conditions, safety and security, crime, political disturbances, and the addresses of the U.S. embassies and consulates abroad. **Travel Alerts** are issued to disseminate information quickly about terrorist threats and other relatively short-term conditions overseas that pose significant risks to the security of American travelers. **Travel Warnings** are issued when the State Department recommends that Americans avoid travel to a certain country because the situation is dangerous or unstable.

For the latest security information, Americans living and traveling abroad should regularly monitor the Department's Bureau of Consular Affairs Internet web site at <http://www.travel.state.gov>, where the current **Worldwide Caution**, **Travel Alerts**, and **Travel Warnings** can be found. **Consular Affairs Publications**, which contain information on obtaining passports and planning a safe trip abroad, are also available at <http://www.travel.state.gov>. For additional information on international travel, see <http://www.usa.gov/Citizen/Topics/Travel/International.shtml>.

The Department of State encourages all U.S. citizens traveling or residing abroad to register via the **State Department's travel registration** website or at the nearest U.S. embassy or consulate abroad. Registration will make your presence and whereabouts known in case it is necessary to contact you in an emergency and will enable you to receive up-to-date information on security conditions.

Emergency information concerning Americans traveling abroad may be obtained by calling 1-888-407-4747 toll free in the U.S. and Canada or the regular toll line 1-202-501-4444 for callers outside the U.S. and Canada.

The **National Passport Information Center** (NPIC) is the U.S. Department of State's single, centralized public contact center for U.S. passport information. Telephone: 1-877-4-USA-PPT (1-877-487-2778); TDD/TTY: 1-888-874-7793. Passport

information is available 24 hours, 7 days a week. You may speak with a representative Monday-Friday, 8 a.m. to 10 p.m., Eastern Time, excluding federal holidays.

Travelers can check the latest health information with the U.S. Centers for Disease Control and Prevention in Atlanta, Georgia. A hotline at 800-CDC-INFO (800-232-4636) and a web site at <http://www.cdc.gov/travel/default.aspx> give the most recent health advisories, immunization recommendations or requirements, and advice on food and drinking water safety for regions and countries. The CDC publication "Health Information for International Travel" can be found at <http://www.cdc.gov/travel/contentYellowBook.aspx>.

Further Electronic Information

Department of State Web Site. Available on the Internet at <http://www.state.gov>, the Department of State web site provides timely, global access to official U.S. foreign policy information, including **Background Notes** and **daily press briefings** along with the directory of **key officers** of Foreign Service posts and more. The Overseas Security Advisory Council (OSAC) provides security information and regional news that impact U.S. companies working abroad through its website <http://www.osac.gov>

Export.gov provides a portal to all export-related assistance and market information offered by the federal government and provides trade leads, free export counseling, help with the export process, and more.

STAT-USA/Internet, a service of the U.S. Department of Commerce, provides authoritative economic, business, and international trade information from the Federal government. The site includes current and historical trade-related releases, international market research, trade opportunities, and country analysis and provides access to the **National Trade Data Bank**.

